

DEBTOR: R&S HEATING AND A/C, INC.

MONTHLY OPERATING REPORT
CHAPTER 11

CASE NUMBER: 10-35110

Form 2-A
COVER SHEET

For Period Ending 07-31-10

Accounting Method: ☒ Accrual Basis ☐ Cash Basis

THIS REPORT IS DUE 21 DAYS AFTER THE END OF THE MONTH

Mark One Box for Each
Required Document:

Debtor must attach each of the following reports/documents unless the U. S. Trustee has waived the requirement in writing. Submit the original Monthly Operating Report bearing an original signature, to the U. S. Trustee. A copy of the Report must be filed with the Clerk of Court. 11 U.S.C. § 704(8)

Report/Document Attached	Previously Waived	REQUIRED REPORTS/DOCUMENTS
<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. Cash Receipts and Disbursements Statement (Form 2-B)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. Balance Sheet (Form 2-C)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. Profit and Loss Statement (Form 2-D)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. Supporting Schedules (Form 2-E)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. Quarterly Fee Summary (Form 2-F)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. Narrative (Form 2-G)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	7. Bank Statements for All Bank Accounts
<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. Bank Statement Reconciliations for all Bank Accounts

I declare under penalty of perjury that the following Monthly Operating Report, and any attachments thereto are true, accurate and correct to the best of my knowledge and belief.

Executed on: _____

Print Name: _____

Signature: _____

Title: _____

DEBTOR: R & S HEATING AND A/C, INC.

COPY
CASE NO:

10-35110

Form 2-B
CASH RECEIPTS AND DISBURSEMENTS STATEMENT

For Period: 07-14-10 to 07-31-10

CASH FLOW SUMMARY

	Current Month	Accumulated
1. Beginning Cash Balance	\$ 421,554.77 (1)	\$ 421,554.77 (1)
2. Cash Receipts		
Operations	50,437.45	50,437.45
Sale of Assets	0.00	0.00
Loans/advances	0.00	0.00
Other	97.99	97.99
Total Cash Receipts	\$ 50,535.44	\$ 50,535.44
3. Cash Disbursements		
Operations	106,818.70	106,818.70
Debt Service/Secured loan payment	0.00	0.00
Professional fees/U.S. Trustee fees	5,000.00	5,000.00
Other	22,860.88	22,860.88
Total Cash Disbursements	\$ 134,679.58	\$ 134,679.58
4. Net Cash Flow (Total Cash Receipts less Total Cash Disbursements)	-84,144.14	-84,144.14
5 Ending Cash Balance (to Form 2-C)	\$ 337,410.63 (2)	\$ 337,410.63 (2)

CASH BALANCE SUMMARY

	Financial Institution	Book Balance
Petty Cash	N/A	\$ 0.00
DIP Operating Account	KleinBank	-10,337.97
DIP State Tax Account	N/A	0.00
DIP Payroll Account	KleinBank	2,715.56
Other Operating Account	N/A	0.00
Other Interest-bearing Account	KleinBank	345,033.04
TOTAL (must agree with Ending Cash Balance above)		\$ 337,410.63 (2)

(1) Accumulated beginning cash balance is the cash available at the commencement of the case.

Current month beginning cash balance should equal the previous month's ending balance.

(2) All cash balances should be the same.

MONTH ENDING 07-31-10 ALL BANK ACCOUNTS

COPY

	GENERAL	SAVINGS	PAYROLL	TOTALS
EOD 07-13-10				
Beginning Cash Balance	\$ 2,714.14	\$ 414,509.60	\$ 4,331.03	\$ 421,554.77
Cash Receipts				
Operations		50,437.45		50,437.45
Sale of Assets				-
Loans/Advances				-
Other	50,000.00	97.99	70,000.00	120,097.99
	<u>\$ 50,000.00</u>	<u>\$ 50,535.44</u>	<u>\$ 70,000.00</u>	<u>\$ 170,535.44</u>
Cash Disbursements				
Operations	35,203.23	120,000.00	71,615.47	\$ 226,818.70
Debt Service				-
Professional Fees	5,000.00			5,000.00
Other	22,848.88	12.00		22,860.88
	<u>\$ 63,052.11</u>	<u>\$ 120,012.00</u>	<u>\$ 71,615.47</u>	<u>\$ 254,679.58</u>
Net Cash Flow	<u>(13,052.11)</u>	<u>(69,476.56)</u>	<u>(1,615.47)</u>	<u>(84,144.14)</u>
Ending Cash Balance	<u>\$ (10,337.97)</u>	<u>\$ 345,033.04</u>	<u>\$ 2,715.56</u>	<u>\$ 337,410.63</u>

DEBTOR: R & S HEATING AND A/C, INC.

CASE NO: 10-35110

Form 2-B (page 1)
CASH RECEIPTS AND DISBURSEMENTS STATEMENT
For Period: 07-14-10 to 07-31-10

COPY

CASH RECEIPTS DETAIL

(attach additional sheets as necessary)

Account No:

667278

Date	Payer	Description	Amount
	Accounts Receivable		\$ 49,922.45
	Interest on Note Receivable		500.00
	Garnishment Administrative Fee		15.00

SEE ATTACHED FOR DETAIL

Total Cash Receipts \$ 50,437.45 (1)

(1) Total for all accounts should agree with total cash receipts listed on Form 2-B, page 1

Report selections:

Customer code: ALL
G/L account: ALLFrom G/L date: 07/14/10
To G/L date: 07/31/10

R&S HEATING & AIR CONDITIONING

Cash Receipts G/L Distribution Report, Sorted by G/L Account

Year: 10 Period: 07

Customer	Name	G/L Date	Reference/ Check#	Type	Miscellaneous Remarks	Debit	Credit
G/L code: 00-1020 SAVINGS							
	Misc.						
	Misc.						
IMEC	BRINCO MECHANICAL SERVICES INC	07/19/10	193752	CR Payment		15.00	
IMEC	BRINCO MECHANICAL SERVICES INC	07/19/10	9640	CR Payment		500.00	
IMEC	BRINCO MECHANICAL SERVICES INC	07/19/10	185724	CR Payment		2,978.72	
IMEC	BRINCO MECHANICAL SERVICES INC	07/19/10	186178	CR Payment		2,529.11	
IMEC	BRINCO MECHANICAL SERVICES INC	07/26/10	186287	CR Payment		1,168.75	
IMEC	BRINCO MECHANICAL SERVICES INC	07/26/10	186375	CR Payment		584.68	
IMEC	BRINCO MECHANICAL SERVICES INC	07/26/10	186650	CR Payment		375.00	
RNET	FIRST SERVICE NETWORKS	07/19/10	101522	CR Payment		1,195.19	
RNET	FIRST SERVICE NETWORKS	07/29/10	164264	CR Payment		11,077.21	
EFOR	FREEWAY FORD	07/29/10	405608	CR Payment		375.00	
RLOF	HERSCHEL LOFTS	07/26/10	9269	CR Payment		450.00	
LLC	IPT, LLC	07/31/10	153	RP Adjust			2,502.75
LLC	IPT, LLC	07/31/10	154	RP Adjust			6,481.50
LLC	IPT, LLC	07/19/10	187264	CR Payment		45,150.40	
LLC	IPT, LLC	07/26/10	187679	CR Payment		6,481.50	
LLC	IPT, LLC	07/26/10	188169	CR Payment		2,502.75	
CGRO	KOCH GROUP	07/19/10	5635	CR Payment		1,080.00	
NEND	LANDS END	07/26/10	9597	CR Payment		525.00	
AMEC	LEGEND MECHANICAL	07/29/10	10493	CR Payment		9,655.06	
NSER	LENNOX NATIONAL ACCOUNT SERVIC	07/20/10	152	RP Adjust			93,920.60
N3129	MENARDS	07/26/10	3603178	CR Payment		580.00	
N3181	MENARDS #3181 ST. PAUL	07/19/10	3598755	CR Payment		583.14	
N3181	MENARDS #3181 ST. PAUL	07/26/10	3603178	CR Payment		130.00	
NARD3022	MENARDS #3022	07/26/10	3603178	CR Payment		385.00	
NARD3059	MENARDS #3059	07/26/10	3603178	CR Payment		527.50	
NINC	MENARD, INC	07/26/10	3603178	CR Payment		420.00	
IMHAS	MGM WINE & SPIRITS HASTINGS	07/19/10	11515	CR Payment		200.00	
GFAC	NG & G FACILITY SERVICES	07/19/10	109275	CR Payment		895.00	
OOAK	PROMENADE OAKS	07/19/10	4245	CR Payment		5,320.00	
TBRO	ROTH BROTHERS	07/26/10	154610	CR Payment		53,683.24	
VINC	SAVERS INC	07/19/10	639343	CR Payment		1,091.89	
VINC	SAVERS INC	07/26/10	639648	CR Payment		436.00	
RFOR	SERVICE FORCE USA, LLC	07/29/10	30296970	CR Payment		803.41	
OCAR	THOUROGHRED CARPETS	07/26/10	72484	CR Payment		343.75	
TFAC	TOTAL FACILITY	07/19/10	182189	CR Payment		1,300.00	

Subtotal for G/L account 00-1020:

153,342.30

102,904.85

G/L code: 00-1100 ACCOUNTS RECEIVABLE

Printed by: ITT on 07/06/10 2:25:54 PM

50,437.45

R&S HEATING & AIR CONDITIONING

Cash Receipts G/L Distribution Report, Sorted by G/L Account

Year: 10 Period: 07

Customer	Name	G/L Date	Reference/ Check#	Type	Miscellaneous Remarks	Debit	Credit
IMEC	BRINCO MECHANICAL SERVICES INC	07/19/10	185724	CR Payment			3,161.30
IMEC	BRINCO MECHANICAL SERVICES INC	07/19/10	186178	CR Payment			2,683.55
IMEC	BRINCO MECHANICAL SERVICES INC	07/26/10	186287	CR Payment			1,168.75
IMEC	BRINCO MECHANICAL SERVICES INC	07/26/10	186375	CR Payment			632.00
IMEC	BRINCO MECHANICAL SERVICES INC	07/26/10	186650	CR Payment			375.00
NET	FIRST SERVICE NETWORKS	07/19/10	101522	CR Payment			1,290.15
NET	FIRST SERVICE NETWORKS	07/29/10	184264	CR Payment			11,975.02
FOR	FREEMAN FORD	07/29/10	405608	CR Payment			375.00
LOF	HERSCHEL LOFTS	07/26/10	9269	CR Payment			450.00
LLC	IPT, LLC	07/31/10	153	RP Adjust		2,502.75	
LLC	IPT, LLC	07/31/10	154	RP Adjust		6,481.50	
LLC	IPT, LLC	07/19/10	187264	CR Payment			45,298.40
LLC	IPT, LLC	07/26/10	187679	CR Payment			6,481.50
LLC	IPT, LLC	07/26/10	188169	CR Payment			2,502.75
CGRO	KOCH GROUP	07/19/10	5635	CR Payment			1,080.00
NEND	LANDS END	07/26/10	9597	CR Payment			525.00
GMEC	LEGEND MECHANICAL	07/29/10	10493	CR Payment			9,579.76
NSER	LENNOX NATIONAL ACCOUNT SERVIC	07/20/10	152	RP Adjust		93,920.60	
N3129	MENARDS	07/26/10	3603178	CR Payment			580.00
N3181	MENARDS #3181 ST. PAUL	07/19/10	3598755	CR Payment			583.14
N3181	MENARDS #3181 ST. PAUL	07/26/10	3603178	CR Payment			130.00
NARD3022	MENARDS #3022	07/26/10	3603178	CR Payment			385.00
NARD3059	MENARDS #3059	07/26/10	3603178	CR Payment			527.50
NINC	MENARD, INC	07/26/10	3603178	CR Payment			420.00
MHAS	MGM WINE & SPIRITS HASTINGS	07/19/10	11515	CR Payment			200.00
GFAC	NG & G FACILITY SERVICES	07/19/10	109275	CR Payment			895.00
OAK	PROMENADE OAKS	07/19/10	4245	CR Payment			5,320.00
TBRO	ROTH BROTHERS	07/26/10	154610	CR Payment			57,446.68
VINC	SAVERS INC	07/19/10	639343	CR Payment			1,091.89
VINC	SAVERS INC	07/26/10	639648	CR Payment			436.00
RFOR	SERVICE FORCE USA, LLC	07/29/10	30298970	CR Payment			803.41
OCAR	THOUROGHBRED CARPETS	07/26/10	72484	CR Payment			343.75
TFAC	TOTAL FACILITY	07/19/10	182189	CR Payment			1,400.00
Subtotal for G/L account 00-1100:						102,904.85	158,140.55

/L code: 20-5144 CUSTOMER DISCOUNTS

IMEC	BRINCO MECHANICAL SERVICES INC	07/19/10	185724	CR Payment		182.58
IMEC	BRINCO MECHANICAL SERVICES INC	07/19/10	186178	CR Payment		154.44
IMEC	BRINCO MECHANICAL SERVICES INC	07/26/10	186375	CR Payment		47.32
NET	FIRST SERVICE NETWORKS	07/19/10	101522	CR Payment		94.96
NET	FIRST SERVICE NETWORKS	07/29/10	164264	CR Payment		897.81
LLC	IPT, LLC	07/19/10	187264	CR Payment		148.00
GMEC	LEGEND MECHANICAL	07/29/10	10493	CR Payment		75.30
TBRO	ROTH BROTHERS	07/26/10	154610	CR Payment		3,763.44

R&S HEATING & AIR CONDITIONING

Cash Receipts G/L Distribution Report, Sorted by G/L Account

Year: 10 Period: 07

Customer	Name	G/L Date	Reference/ Check#	Type	Miscellaneous Remarks	Debit	Credit
OTFAC	TOTAL FACILITY	07/19/10	182189	CR Payment		100.00	
Subtotal for G/L account 20-5144:							75.30
i/L code:	40-7180 OFFICE						
	Misc.	07/19/10	193752	CR Payment GARN FEE			15.00
Subtotal for G/L account 40-7180:							15.00
i/L code:	40-8000 INTEREST INCOME						
	Misc.	07/19/10	9640	CR Payment IKE'S			500.00
Subtotal for G/L account 40-8000:							500.00
Subtotal for period 07:							261,635.70
Report totals:							261,635.70

DEBTOR: R & S HEATING AND A/C, INC.

CASE NO: 10-35110

Form 2-B (page 2)
CASH RECEIPTS AND DISBURSEMENTS STATEMENT
For Period: 07-14-10 to 07-31-10

COPY

CASH RECEIPTS DETAIL
(attach additional sheets as necessary)

Account No: 10910346

Date	Payer	Description	Amount
	Interest on Savings Account		\$ 97.99

SEE ATTACHED

Total Cash Receipts \$ 97.99 (1)

(1) Total for all accounts should agree with total cash receipts listed on Form 2-B, page 1

KLEINBANK
P.O. BOX 487
CHASKA, MN 55318-0487

000 00050 01
ACCOUNT:

PAGE: 4
667278 07/30/2010

TELEPHONE:888-553-4648

KleinBank

R & S HEATING AND AIR CONDITIO

Business Checking ACCOUNT 667278

- - - ITEMIZATION OF OVERDRAFT AND RETURNED ITEM FEES - - -

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*****
*                                     |          TOTAL FOR          |          TOTAL          *
*                                     |        THIS PERIOD        |        YEAR TO DATE    *
*-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
* TOTAL OVERDRAFT FEES:           |          288.00          |          1,376.00      *
*-----|-----|-----|-----|-----|-----|-----|-----|-----|
* TOTAL RETURNED ITEM FEES:       |             .00          |             .00        *
*****
```

- - - - - DAILY BALANCE - - - - -

DATE.....	BALANCE	DATE.....	BALANCE	DATE.....	BALANCE
07/01	26,036.00	07/13	20,178.11	07/22	1,931.24
07/02	6,551.70	07/14	10,178.11	07/23	1,672.64
07/06	32,507.07-	07/15	3,987.95-	07/26	27,007.28
07/07	956.52	07/16	6,147.55-	07/27	26,194.84
07/08	9,550.37	07/19	6,754.58-	07/28	24,969.43
07/09	11,946.33	07/20	16,407.94-	07/29	19,887.62
07/12	352.42	07/21	1,626.91	07/30	13,667.70

High Yield MM Saving ACCOUNT 10910346

At KleinBank we've been a friend to businesses since 1907 - that's 103 years! Our business bankers work hard to customize the right loan and banking services to fit your business needs today and in the future. Member FDIC and Equal Housing Lender.

DESCRIPTION	DEBITS	CREDITS	DATE	BALANCE
BALANCE LAST STATEMENT			06/30/10	408,054.83
TO CKG XXX403 PER BRETT	29,000.00		07/01/10	379,054.83
CTS HOLDINGS,LLC SETTLEMENT 086245800010630	15.00		07/02/10	379,039.83
TRANSFER TO CHECKING per Brett	24,000.00		07/06/10	355,039.83
AMERICAN EXPRESS COLLECTION 3220886543	7.95		07/06/10	355,031.88
DEPOSIT		44,908.22	07/07/10	399,940.10
TRANSFER TO CHECKING PER BRETT	80,000.00		07/07/10	319,940.10
CTS HOLDINGS,LLC SETTLEMENT 086245800010705	21.73		07/07/10	319,918.37
MISCELLANEOUS DEBIT	30,000.00		07/08/10	289,918.37

* * * C O N T I N U E D * * *

KLEINBANK
P.O. BOX 487
CHASKA, MN 55318-0487

000 00050 01
ACCOUNT:

PAGE: 5
667278 07/30/2010

TELEPHONE:888-553-4648

KleinBank

R & S HEATING AND AIR CONDITIO

High Yield MM Saving ACCOUNT 10910346

DESCRIPTION	DEBITS	CREDITS	DATE	BALANCE
MISCELLANEOUS DEBIT	20,000.00		07/09/10	269,918.37
DEPOSIT		164,591.23	07/12/10	434,509.60
TRANSFER TO CHECKING 667278	20,000.00		07/13/10	414,509.60
TRANSFER TO CHECKING	24,000.00		07/14/10	390,509.60
DEPOSIT		62,838.45	07/19/10	453,348.05
RETURNED ITEM CHARGE	4.00		07/19/10	453,344.05
RETURNED DEPOSIT ITEMS	93,920.60		07/19/10	359,423.45
TRANSFER TO CHECKING 667278	10,000.00		07/20/10	349,423.45
Internal Transfe BUS OLB TRANSFER TO CHECKING 667403 ON				
7/21/10 AT 11:03	22,000.00		07/21/10	327,423.45
DEPOSIT		68,593.17	07/26/10	396,016.62
TRANSFER TO CHECKING	40,000.00		07/26/10	356,016.62
Internal Transfe BUS OLB TRANSFER TO CHECKING 667403 ON				
7/28/10 AT 15:43	24,000.00		07/28/10	332,016.62
DEPOSIT		21,910.68	07/29/10	353,927.30
RETURNED ITEM CHARGE	8.00		07/30/10	353,919.30
RETURNED DEPOSIT ITEMS	8,984.25		07/30/10	344,935.05
INTEREST		97.99	07/30/10	345,033.04
BALANCE THIS STATEMENT			07/30/10	345,033.04
TOTAL CREDITS (6)	362,939.74			
TOTAL DEBITS (18)	425,961.53			

- - - - - I N T E R E S T - - - - -

AVERAGE LEDGER BALANCE:	352,009.38	INTEREST EARNED:	97.99
AVERAGE AVAILABLE BALANCE:	352,009.38	DAYS IN PERIOD:	30
INTEREST PAID THIS PERIOD:	97.99	ANNUAL PERCENTAGE YIELD EARNED:	.34%
INTEREST PAID 2010:	825.21		

- - - ITEMIZATION OF OVERDRAFT AND RETURNED ITEM FEES - - -

*		TOTAL FOR	TOTAL *
*		THIS PERIOD	YEAR TO DATE *

* TOTAL OVERDRAFT FEES:		.00	.00 *

* TOTAL RETURNED ITEM FEE:		.00	.00 *

DEBTOR: R & S HEATING AND A/C, INC.

CASE NO: 10-35110

Form 2-B (page 3)
CASH RECEIPTS AND DISBURSEMENTS STATEMENT
For Period: 07-14-10 to 07-31-10

COPY

CASH DISBURSEMENTS DETAIL
(attach additional sheets as necessary)

Account No: 667403

Date	Check No.	Payee	Description (Purpose)	Amount
		Direct Deposit		\$ 45,766.05
		Payroll checks		7,094.28
		Federal Tax Deposits		16,153.58
		State Tax		2,326.56
		ADP Fees		275.00

SEE ATTACHED FOR DETAIL

Total Cash Disbursements \$ 71,615.47 (1)

(1) Total for all accounts should agree with total cash disbursements listed on Form 2-B, page 1

R S Heating and A/C, Inc.
 G/L Acct #00-1010
 Payroll Checking
 Bank Account #667403
 July 2010

Balance at:

3,601.21

Date	Description	Checks Number	Disbursements	Additions
07-07-10	Auto Deposit		15,220.55	
	Regular Checks	70798 - 70825	2,389.45	
	Federal		4,992.56	
	State		667.62	
	Transfer from Savings			24,000.00
07-14-10	Auto Deposit		16,417.06	
	Regular Checks	70826 - 70853	2,152.46	
	Federal		5,845.81	
	State		828.65	
	Transfer from Savings			24,000.00
07-21-10	Auto Deposit		13,195.38	
	Regular Checks	70854 - 70874	2,000.24	
	Federal		5,196.74	
	State		802.18	
	Transfer from Savings			22,000.00
07-28-10	Auto Deposit		16,153.61	
	Regular Checks	70877 - 70891	1,959.85	
	Federal		5,111.03	
	State		695.73	
	Transfer from Savings			24,000.00
07-31-10	Shakeel Aneal cashed direct deposit check		981.73	
07-31-10	ADP Fees		275.00	

Balance

2,715.56

R&S HEATING & AIR CONDITIONING

Auto Deposit Payroll Check Register

Period end date: 07/10/10

Check Number	Employee Status	Employee Code	Name	Check Date	Check Amount	Memo
70826	Regular	ADOGAR	ADOLPH M. GARCIA	07/14/10	463.42	
70828	Regular	ANTIMAD	ANTHONY N. MADISON	07/14/10	728.81	
70830	Regular	DANCOU	DANIEL A. COULTER	07/14/10	204.12	
70831	Regular	DELHOU	DELORES A HOULE	07/14/10	780.79	
70832	Regular	DENFER	DENAY R. FERGUSON	07/14/10	103.09	
70833	Regular	DONDEP	DONALD M. DEPINET	07/14/10	1,076.04	
70834	Regular	ERUJOH	ERIK A. JOHNSON	07/14/10	470.99	
70835	Regular	GRELAN	GREGORY S. LANGSDORF	07/14/10	773.81	
70836	Regular	JANLUT	JANET L. LUTHER	07/14/10	1,230.99	
70837	Regular	JESCLA	JESSE D. CLAYTON	07/14/10	565.16	
70838	Regular	JESTHI	JESSICA ROSE THIELEN	07/14/10	1,847.00	
70840	Regular	JOHBUX	JOHN C. BUXTON	07/14/10	648.04	
70841	Regular	JOHMOS	JOHN T. MOSER	07/14/10	847.70	
70842	Regular	JOHTHI	JOHN A. THIEM	07/14/10	998.15	
70843	Regular	JOSCAR	JOSEPH O. CARNEVALE	07/14/10	742.89	
70847	Regular	KELNEZ	KELLY L. NEZERKA	07/14/10	151.52	
70848	Regular	KIMGAM	KIM M. GAMBILL	07/14/10	1,117.71	
70849	Regular	KRICOD	KRISTINA L. CODY	07/14/10	736.25	
70850	Regular	NIKCAR	NIKOLOS P. CARDA	07/14/10	912.71	
70851	Regular	ROBTHI	ROBERT C. THIELEN	07/14/10	672.61	
70852	Regular	SEATHI	SEAN J. THIERY	07/14/10	760.03	
70853	Regular	TIMMAL	TIMOTHY A. MALEY HAPIP	07/14/10	585.23	
Total:					16,417.06	

R&S HEATING & AIR CONDITIONING

Auto Deposit Payroll Check Register

Period end date: 07/17/10

Check Number	Status	Employee Code	Name	Check Date	Check Amount	Memo
'0854	Regular	ANTMAD	ANTHONY N. MADISON	07/21/10	873.35	
'0855	Regular	DONDEP	DONALD M. DEPINET	07/21/10	399.75	
'0857	Regular	ERIJOH	ERIK A. JOHNSON	07/21/10	662.23	
'0858	Regular	GRELAN	GREGORY S. LANGSDORF	07/21/10	773.79	
'0859	Regular	HARSPE	HARVEY J. SPEARS	07/21/10	210.34	
'0860	Regular	JANLUT	JANET L. LUTHER	07/21/10	1,230.99	
'0861	Regular	JESTHI	JESSICA ROSE THIELEN	07/21/10	1,847.00	
'0863	Regular	JOHBUX	JOHN C. BUXTON	07/21/10	413.61	
'0864	Regular	JOHMOS	JOHN T. MOSER	07/21/10	847.70	
'0865	Regular	JOHTHI	JOHN A. THIEM	07/21/10	779.24	
'0866	Regular	JOSCAR	JOSEPH O. CARNEVALE	07/21/10	742.90	
'0869	Regular	KIMGAM	KIM M. GAMBILL	07/21/10	940.28	
'0870	Regular	KRICOD	KRISTINA L. CODY	07/21/10	736.26	
'0871	Regular	NIKCAR	NIKOLOS P. CARDIA	07/21/10	517.35	
'0872	Regular	ROBTHI	ROBERT C. THIELEN	07/21/10	633.79	
'0873	Regular	SEATHI	SEAN J. THIERY	07/21/10	1,220.70	
'0874	Regular	TIMMAL	TIMOTHY A. MALEY HAPIP	07/21/10	366.10	
Total:					13,195.38	

R&S HEATING & AIR CONDITIONING

Auto Deposit Payroll Check Register

Period end date: 07/24/10

Check Number	Status	Employee Code	Name	Check Date	Check Amount	Memo
0875	Regular	ADOGAR	ADOLPH M. GARCIA	07/29/10	738.92	
0876	Regular	ANTMAD	ANTHONY N. MADISON	07/29/10	922.39	
0878	Regular	DANCOU	DANIEL A. COULTER	07/29/10	387.69	
0879	Regular	DONDEP	DONALD M. DEPINET	07/29/10	474.19	
0880	Regular	ERUJOH	ERIK A. JOHNSON	07/29/10	1,088.69	
0881	Regular	GRELAN	GREGORY S. LANGSDORF	07/29/10	773.81	
0882	Regular	JANLUT	JANET L LUTHER	07/29/10	1,858.57	
0883	Regular	JESCLA	JESSE D. CLAYTON	07/29/10	396.51	
0884	Regular	JESTHI	JESSICA ROSE THIELEN	07/29/10	1,847.00	
0886	Regular	JOHBUX	JOHN C. BUXTON	07/29/10	330.49	
0887	Regular	JOHMOS	JOHN T. MOSER	07/29/10	847.68	
0888	Regular	JOHTHI	JOHN A. THIEM	07/29/10	1,060.27	
0889	Regular	JOSCAR	JOSEPH O. CARNEVALE	07/29/10	742.89	
0892	Regular	KIMGAM	KIM M. GAMBILL	07/29/10	1,067.02	
0893	Regular	KRICOD	KRISTINA L. CODY	07/29/10	736.25	
0894	Regular	NIKCAR	NIKOLOS P. CARDA	07/29/10	671.92	
0895	Regular	ROBTHI	ROBERT C THIELEN	07/29/10	633.79	
0896	Regular	SEATHI	SEAN J THIERY	07/29/10	1,023.33	
0897	Regular	TIMMAL	TIMOTHY A. MALEY HAPIP	07/29/10	552.20	
Total:					16,153.61	

R&S HEATING & AIR CONDITIONING

Payroll Check Register

Period end date: 07/24/10

Check number	Status	Employee Code	Name	Check Date	Check Amount	Memo
0877	Regular	BRETHI	BRETT A THIELEN	07/29/10	399.60	
0885	Regular	JOHATK	JOHN M. ATKINSON	07/29/10	791.68	
0890	Regular	KALSTR	KALI B STRAIN	07/29/10	254.17	
0891	Regular	KELJOH	KELLY M. JOHNSON	07/29/10	514.40	
Total:					1,959.85	

R&S HEATING & AIR CONDITIONING

Payroll Check Register

Period end date: 07/10/10

Check Number	Status	Employee Code	Name	Check Date	Check Amount	Memo
70827	Regular	ALFLEN	ALFRED R. LENZ	07/14/10	655.04	
70829	Regular	BRETHI	BRETT A THIELER	07/14/10	399.60	
70839	Regular	JOHATK	JOHN M. ATKINSON	07/14/10	605.23	
70844	Regular	JOSRAE	JOSE A. RAEL	07/14/10	179.80	
70845	Regular	KALSTR	KALI B STRAIN	07/14/10	146.56	
70846	Regular	KELJOH	KELLY M. JOHNSON	07/14/10	166.23	
Total:					2,152.46	

R&S HEATING & AIR CONDITIONING

Payroll Check Register

Period end date: 07/17/10

Check Number	Status	Employee Code	Name	Check Date	Check Amount	Memo
70855	Regular	BRETHI	BRETT A THIELEN	07/21/10	399.59	
70862	Regular	JOHATK	JOHN M. ATKINSON	07/21/10	817.64	
70867	Regular	KALSTR	KALI B STRAIN	07/21/10	254.17	
70868	Regular	KELJOH	KELLY M. JOHNSON	07/21/10	528.84	
Total:					2,000.24	

DEBTOR: R & S HEATING AND A/C, INC.

CASE NO: 10-35110

Form 2-B (page 4)
CASH RECEIPTS AND DISBURSEMENTS STATEMENT
For Period: 07-14-10 to 07-31-10

COPY

CASH DISBURSEMENTS DETAIL
(attach additional sheets as necessary)

Account No: 10910346

Date	Check No.	Payee	Description (Purpose)	Amount
		Transfers to Payroll Checking Account		\$ 70,000.00
		Transfers to General Checking Account		50,000.00
		Bank Fees		12.00

SEE ATTACHED FOR DETAIL

Total Cash Disbursements \$ 120,012.00 (1)

(1) Total for all accounts should agree with total cash disbursements listed on Form 2-B, page 1

Form 2-B (page5)

CASH RECEIPTS AND DISBURSEMENTS STATEMENT

For Period: 07-14-10 to 07-31-10

CASH DISBURSEMENTS DETAIL

(attach additional sheets as necessary)

Account No: 667278

Date	Check No.	Payee	Description (Purpose)	Amount
		Accounts Payable	Operations	\$ 35,203.23
		Larson Allen	Professional Fees	5,000.00
		Gooter Investments	Other	10,000.00
		Minnesota Use Tax	Other	2,900.00
		Klein Bank	Other - NSF Fee	32.00
		Klein Bank	Other - NSF Fee	96.00
		Crosspoint Consulting	Other - Server	11,311.37
		Klein Bank	Other-monthly bank fee	154.51
		Maverick Cutting & Breaking	Other-release of garnishment	-1,815.00
		Klein Bank	Other - Stop Pmt & Other Fees	170.00

SEE ATTACHED FOR DETAIL

Total Cash Disbursements \$ 63,052.11 (1)

R S Heating and A/C, Inc.
G/L Acct #00-1000
General Checking #667278
July 2010

Balance as of (65,374.71)

Date	Description	Checks Number	Disbursements	Additions
07-02-10	Wexonline Payment		8,846.79	
07-05-10	Check	40112	5,000.00	
07-06-10	Transfer from Savings			80,000.00
07-07-10	Check	40113	1,200.00	
07-07-10	Check	40114	77.31	
07-07-10	Check	40115	10,000.00	
07-08-10	Transfer from Savings			30,000.00
07-09-10	Cashiers Check	Wells Fargo	6,850.00	
07-09-10	Cashiers Check Fee		5.00	
07-09-10	Cashiers Check	Adolf Garcia	1,000.00	
07-09-10	Stop Payment Fee		32.00	
07-09-10	Cashiers Check	American Express	17,239.30	
07-09-10	Cashiers Check Fee		5.00	
07-09-10	Cashiers Check	Foster & Brever	10,000.00	
07-09-10	Transfer from Savings			20,000.00
07-13-10	Checks	40116 - 40117	10,950.00	
07-13-10	Check	40118	231.06	
07-13-10	Check	40119	10,000.00	
07-13-10	Transfer from Savings			20,000.00
07-13-10	Check	40120	474.69	
07-14-10	Check	40121	1,200.00	
07-14-10	Check	40122	452.91	
07-14-10	Checks	40123 - 40129	7,625.22	
07-15-10	Gooter Investments		10,000.00	OTHER
07-15-10	Minnesota Use Tax Payment		2,900.00	OTHER
07-16-10	NSF Fee		32.00	OTHER
07-19-10	Check	40130	433.39	
07-19-10	NSF Fee		96.00	OTHER
07-20-10	Checks	40131 - 40132	1,118.18	
07-20-10	Transfer from Savings			10,000.00
07-20-10	Checks	40133 - 40136	1,977.76	
07-21-10	Checks	40137 - 40139	1,573.46	
07-21-10	Checks	40140 - 40142	744.70	
07-21-10	Check	40143	55.45	
07-22-10	Check	40144 - 40145	731.85	
07-22-10	Void Checks	(40138 - 40142)	(2,059.56)	
07-22-10	Checks	40146 - 40149	2,715.22	
07-22-10	Checks	40150 - 40151	1,186.04	
07-22-10	Check	40152	212.89	
07-23-10	Checks	40153 - 40155	933.44	
07-23-10	Void Check	(41026)	(3,175.73)	
07-23-10	Check	40156	569.52	
07-23-10	Check	40157 - CROSSPOINT	11,311.37	OTHER
07-23-10	Check	40158	45.48	
07-23-10	Check	40159	726.96	
07-23-10	Check	NEW CHECKS 40501	1,256.28	
07-26-10	Check	40502	1,834.83	
07-26-10	Transfer from Savings			40,000.00
07-26-10	Check	40503	26.85	
07-26-10	Check	40504	82.50	
07-26-10	Check	40505	106.87	
07-27-10	Check	40506 LARSON ALLEN	5,000.00	PROF
07-27-10	Check	40507	2,963.40	
07-27-10	Checks	40508 - 40511	1,215.35	
07-27-10	Check	40512	86.57	
07-29-10	Check	(Void 40024 and 40028)	(308.24)	
07-29-10	Direct Debit - A T & T		863.07	
07-31-10	Void Check	(39780)	(100.00)	
07-29-10	Checks	40513 - 40526	10,108.57	
07-30-10	Bank Service Fee		154.51	OTHER
07-30-10	Release of Garnishment - Maverick			1,815.00 OTHER
07-31-10	Stop Payment/Cashiers Check Fees		170.00	OTHER

Report Selections:

Vendor: ALL
 Check Number: ALL
 Account:

Job Number: ALL
 Vendor Type: ALL

From check date: 07/14/10
 To check date: 07/31/10

R&S HEATING & AIR CONDITIONING Check Register Summary History Report Sorted by Check Number

Check Number	Check Date	Vendor Code	Vendor Name	Invoice/Credit Amount	Discount Amount	Total Payment	Retention Paid
39780	07/30/10	CASECS	CALIFORNIA SECRETARY OF STATE	-100.00		-100.00	
** 39781 - 40023 Missing checks							
40024	07/29/10	DOWL	Dowling Corporation	-128.24		-128.24	
** 40025 - 40027 Missing checks							
40028	07/29/10	AIRBOZ	AIR CONTROLS BOZEMAN	-180.00		-180.00	
** 40029 - 40120 Missing checks							
40121	07/14/10	ROBTHI	ROBERT THIELEN	1,200.00		1,200.00	
40122	07/14/10	ROBTHI	ROBERT THIELEN	452.91		452.91	
40123	07/14/10	DVSREN	DVS RENEWAL	446.75		446.75	
40124	07/14/10	GRAPLA	GRAY, PLANT, MOOTY & BENNETT	932.40		932.40	
40125	07/14/10	MESKRA	MESSERLI & KRAMER P.A.	1,451.34		1,451.34	
40126	07/23/10	MINCHI	MINNESOTA CHILD SUPPORT PYMT C				
40127	07/14/10	MISDIV	MISSOURI DIV OF CHILD SUPPORT	1,379.10		1,379.10	
40128	07/14/10	RIFACO	CLERK OF FAMILY COURT	80.00		80.00	
40129	07/14/10	WASSTA	WASHINGTON STATE SUPPORT	159.90		159.90	
40130	07/19/10	JSBSUR	JSB SURVEILLANCE	433.39		433.39	
40131	07/20/10	WWGRAI	W.W. GRAINGER	381.40		381.40	
40132	07/20/10	WWGRAI	W.W. GRAINGER	736.78		736.78	
40133	07/20/10	JANLUT	JANET LUTHER	119.26		119.26	
40134	07/20/10	MILCLI	MILES CLIFTON	58.50		58.50	
40135	07/20/10	ROBTHI	ROBERT THIELEN	1,200.00		1,200.00	
40136	07/20/10	SCOEHR	SCOTT EHRGOTT	600.00		600.00	
40137	07/21/10	WWGRAI	W.W. GRAINGER	258.60		258.60	
40138	07/22/10	JOHBLO	JOHNSTONE SUPPLY OF BLMNGTN				
40139	07/22/10	JOHBLO	JOHNSTONE SUPPLY OF BLMNGTN				
40140	07/22/10	WWGRAI	W.W. GRAINGER				
40141	07/22/10	WWGRAI	W.W. GRAINGER				
40142	07/22/10	JOHGOL	JOHNSTONE SUPPLY OF GLDN VLY				
40143	07/21/10	WWGRAI	W.W. GRAINGER	55.45		55.45	
40144	07/22/10	WWGRAI	W.W. GRAINGER	351.51		351.51	
40145	07/22/10	WWGRAI	W.W. GRAINGER	380.34		380.34	

R&S HEATING & AIR CONDITIONING

Check Register Summary History Report

Sorted by Check Number

Check Number	Check Date	Vendor Code	Vendor Name	Invoice/Credit Amount	Discount Amount	Total Payment	Retention Paid
40146	07/22/10	AMYFEI	AMY FEILEN	600.00		600.00	
40147	07/22/10	H&HIND	H&H INDUSTRIES, INC.	1,941.56		1,941.56	
40148	07/22/10	NIKCAR	NIKOLOS CARDA	85.48		85.48	
40149	07/22/10	WWGRAI	W.W. GRAINGER	88.18		88.18	
40150	07/22/10	FOCELE	FOCUS ELECTRIC COMPANY	750.00		750.00	
40151	07/22/10	LENNOX	LENNOX INDUSTRIES INC	436.04		436.04	
40152	07/22/10	SLAAUT	SLACK'S AUTOMOTIVE	212.89		212.89	
40153	07/23/10	UNIPAR	UNITED PARCEL SERVICE	36.33		36.33	
40154	07/23/10	WWGRAI	W.W. GRAINGER	460.06		460.06	
40155	07/23/10	WWGRAI	W.W. GRAINGER	437.05		437.05	
40156	07/26/10	LENNOX	LENNOX INDUSTRIES INC	569.52		569.52	
** 40157 Missing check							
40158	07/26/10	LENNOX	LENNOX INDUSTRIES INC	45.48		45.48	
40159	07/23/10	MINCHI	MINNESOTA CHILD SUPPORT PYMT C	726.96		726.96	
** 40160 - 40500 Missing checks							
40501	07/23/10	RANHEA	Randy's Heating and A/C	1,256.28		1,256.28	
40502	07/26/10	LENNOX	LENNOX INDUSTRIES INC	1,834.83		1,834.83	
40503	07/26/10	LENNOX	LENNOX INDUSTRIES INC	26.85		26.85	
40504	07/26/10	USINTE	US INTERNET	82.50		82.50	
40505	07/26/10	ANTMAD	ANTHONY MADISON	106.87		106.87	
40506	07/27/10	LARALL	LARSONALLEN LLP	5,000.00		5,000.00	
40507	07/27/10	MINCHI	MINNESOTA CHILD SUPPORT PYMT C	2,963.40		2,963.40	
40508	07/27/10	JOHATK	JOHN ATKINSON	20.00		20.00	
40509	07/27/10	SEATHI	SEAN THIERY	25.35		25.35	
40510	07/27/10	SPESUP	SPEEDWAY SUPERAMERICA	1,150.00		1,150.00	
40511	07/27/10	TIMMAL	TIM MALEY-HA'IP	20.00		20.00	
40512	07/27/10	LENNOX	LENNOX INDUSTRIES INC	86.57		86.57	
40513	07/29/10	BRETHI	BRETT THIELEN	308.24		308.24	
40514	07/29/10	GRAPLA	GRAY, PLANT, MOOTY & BENNETT	266.40		266.40	
40515	07/29/10	INTTEL	INTEGRA TELECOM	949.86		949.86	
40516	07/29/10	JIMHAN	JIM HANSON	200.00		200.00	
40517	07/29/10	MESKRA	MESSERLI & KRAMER P.A.	671.39		671.39	
40518	07/29/10	MILCLI	MILES CLIFTON	222.50		222.50	
40519	07/29/10	MINCHI	MINNESOTA CHILD SUPPORT PYMT C	359.32		359.32	
40520	07/29/10	MISDIV	MISSOURI DIV OF CHILD SUPPORT	229.85		229.85	
40521	07/29/10	NIKCAR	NIKOLOS CARDA	185.00		185.00	

Professional

R&S HEATING & AIR CONDITIONING

Check Register Summary History Report

Sorted by Check Number

Check Number	Check Date	Vendor Code	Vendor Name	Invoice/Credit Amount	Discount Amount	Total Payment	Retention Paid
40522	07/29/10	PURPOW	PURCHASE POWER	240.32		240.32	
40523	07/29/10	ROBTHI	ROBERT THIELEN	1,200.00		1,200.00	
40524	07/29/10	VILGRE	VILLAGE GREEN LANDSCAPES	1,506.16		1,506.16	
40525	07/29/10	WASSTA	WASHINGTON STATE SUPPORT	53.30		53.30	
40526	07/29/10	SPRCOM	SPRINT	3,716.23		3,716.23	
H00028	07/14/10	INTREV	INTERNAL REVENUE SERVICE	5,845.81		5,845.81	payroll
H00029	07/14/10	MNREVE	MN DEPARTMENT OF REVENUE	828.65		828.65	payroll
H00030	07/14/10	MNUSTX	MINNESOTA USE TAX	16,918.74		2,900.00	other
H00031	07/20/10	MNREVE	MN DEPARTMENT OF REVENUE	802.18		802.18	payroll
H00032	07/20/10	INTREV	INTERNAL REVENUE SERVICE	5,196.74		5,196.74	payroll
H00033	07/29/10	AT&T	AT&T MOBILITY	863.07		863.07	
H00034	07/29/10	DOWL	Dowling Corporation				
H00035	07/29/10	AIRBOZ	AIR CONTROLS BOZEMAN				
H00036	07/28/10	MNREVE	MN DEPARTMENT OF REVENUE	695.73		695.73	payroll
H00037	07/28/10	INTREV	INTERNAL REVENUE SERVICE	5,111.03		5,111.03	payroll
H00038	07/30/10	CASECS	CALIFORNIA SECRETARY OF STATE				
H40157	07/23/10	CROCON	CROSSPOINT CONSULTING	11,311.37		11,311.37	other
R00147	07/22/10	JOHBLO	JOHNSTONE SUPPLY OF BLMNGTN				
R00148	07/22/10	JOHBLO	JOHNSTONE SUPPLY OF BLMNGTN				
R00149	07/22/10	WWGRAI	W.W. GRAINGER				
R00150	07/22/10	WWGRAI	W.W. GRAINGER				
R00151	07/22/10	JOHGOL	JOHNSTONE SUPPLY OF GLDN VLY				

Report totals:

86,913.48	0.00	72,894.74	0.00
	<i>less payroll ckg</i>	<i>- 18,480.14</i>	
		<u><i>54,414.60</i></u>	
	<i>Professional</i>	<i>- 5,000.00</i>	
	<i>Server</i>	<i>- 11,311.37</i>	
		<u><i>38,103.23</i></u>	
	<i>Sales tax</i>	<i>- 2,900.00</i>	
		<u><i>35,203.23</i></u>	

DEBTOR:

R & S HEATING AND A/C, INC.

CASE NO:

10-35110

Form 2-C

COMPARATIVE BALANCE SHEETFor Period Ended: 07-31-10**COPY****ASSETS**

Current Assets:

	Current Month	Petition Date (1)
Cash (from Form 2-B, line 5)	\$ 337,410.63	\$ 0
Accounts Receivable (from Form 2-E)	1,466,435.95	0
Receivable from Officers, Employees, Affiliates	34,000.00	0
Inventory	26,820.54	0
Other Current Assets :(List) <u>See Attached</u>	166,663.43	0
	0.00	0
Total Current Assets	\$ 2,031,330.55	\$ 0

Fixed Assets:

Land	\$ 0.00	\$ 0
Building	0.00	0
Equipment, Furniture and Fixtures	1,050,127.46	0
Total Fixed Assets	1,050,127.46	0
Less: Accumulated Depreciation	(876,806.14)	(0)
Net Fixed Assets	\$ 173,321.32	\$ 0
Other Assets (List):	0.00	0
	0.00	0

TOTAL ASSETS

\$ 2,204,651.87	\$ 0
-----------------	------

LIABILITIES

Post-petition Accounts Payable (from Form 2-E)	\$ 20,429.38	\$ 0
Post-petition Accrued Professional Fees (from Form 2-E)	0.00	0
Post-petition Taxes Payable (from Form 2-E)	0.00	0
Post-petition Notes Payable	0.00	0
Other Post-petition Payable(List): <u>Accrued Wages</u>	74,615.78	0
	0.00	0
Total Post Petition Liabilities	\$ 95,045.16	\$ 0

Pre Petition Liabilities:

Secured Debt	97,253.34	0
Priority Debt	155,808.79	0
Unsecured Debt	1,101,922.16	0
Total Pre Petition Liabilities	\$ 1,354,984.29	\$ 0

TOTAL LIABILITIES

\$ 1,450,029.45	\$ 0
-----------------	------

OWNERS' EQUITY

Owner's/Stockholder's Equity	\$ -199,787.25	\$ 0
Retained Earnings - Prepetition (06-30-10)	860,122.81	0
Retained Earnings - Post-petition	94,286.86	0

TOTAL OWNERS' EQUITY

\$ 754,622.42	\$ 0
---------------	------

TOTAL LIABILITIES AND OWNERS' EQUITY

\$ 2,204,651.87	\$ 0
-----------------	------

PRIORITY DEBT 07-31-10

Taxes Payable	64,417.74
Union Fringe Benefits	73,267.83
Balance Sheet Taxes	<u>18,123.22</u>
	155,808.79

DATE: 09/07/10

R&S HEATING & AIR CONDITIONING
 MULTI-COLUMN DETAILED BALANCE SHEET
 PERIOD END DATE: 07/31/10

PAGE#: 1

TIME: 09:26:10

RPT ID: B2

-----2010-----
 -----YEAR-TO-DATE-----
 -----ACTUAL-----

ASSETS

CURRENT ASSETS

GENERAL CHECKING	10,337.97-
PAYROLL CHECKING	2,715.56
SAVINGS	345,033.04
AUTO SALES CHECKING	1,861.00
ACCOUNTS RECEIVABLE	1,411,040.95
RETENTION RECEIVABLE	55,395.00
ALLOWANCE FOR DOUBTFUL ACCOUNT	0.00
DUE FROM OFFICER	0.00
DUE FROM BK MUSIC	0.00
EMPLOYEE ADVANCE	0.00
NOTE REC 1 - SCOTT THIELEN	0.00
NOTE REC 2 - SCOTT THIELEN	0.00
NOTE REC 3 - SCOTT THIELEN	0.00
NOTE REC - MARC THIERY	34,000.00
NOTE REC - WHITNEY 87	0.00
NOTE RECEIVABLE	122,949.33
NOTE RECEIVABLE/BLMTN MOTEL	0.00
DUE FROM RELATED PARTY	0.00
SECURITY DEPOSITS	16,337.00
INVENTORY	26,820.54
INVENTORY RECEIPTS	0.00
PREPAID LIABILITY INSURANCE	11,453.10
PREPAID ITEMS	3,436.21
PREPAID UMBRELLA INSURANCE	1,172.51
PREPAID SD WORK COMP INS	1,252.94
PREPAID WI WORK COMP INS	1,782.40
HEALTH INSURANCE PREPAID	1,809.94
PREPAID EPL INSURANCE	4,609.00
COSTS IN EXCESS OF BILLINGS	0.00

TOTAL CURRENT ASSETS

2,031,330.55

FIXED ASSETS

COMPUTER EQUIPMENT & SOFTWARE	317,443.52
AUTOS AND TRUCKS	344,607.20
TOOLS & EQUIPMENT	236,872.08
OFFICE EQUIPMENT	142,426.54
LEASEHOLD IMPROVEMENTS	8,778.12

1,050,127.46

LESS ACCUM. DEPRECIATION

876,806.14-

NET FIXED ASSETS

173,321.32

FOR MANAGEMENT USE ONLY

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R&S HEATING & AIR CONDITIONING
MULTI-COLUMN DETAILED BALANCE SHEET
PERIOD END DATE: 07/31/10

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-----2010-----
-----YEAR-TO-DATE-----
-----ACTUAL-----

OTHER ASSETS

DEPOSITS	0.00
BARTER DOLLARS	0.00

TOTAL OTHER ASSETS	0.00
--------------------	------

TOTAL ASSETS	2,204,651.87
--------------	--------------

FOR MANAGEMENT USE ONLY

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R&S HEATING & AIR CONDITIONING
MULTI-COLUMN DETAILED BALANCE SHEET
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-----ACTUAL-----

LIABILITIES & STOCKHOLDERS EQUITY

CURRENT LIABILITIES

LINE OF CREDIT	0.00
ACCOUNTS PAYABLE	1,260,037.11
RETENTION PAYABLE	0.00
NOTE PAYABLE	97,253.34
DUE TO OFFICER	0.00
NOTE PAY - JJT WHITNEY 87	0.00
BILLINGS IN EXCESS OF COSTS	0.00
NOT IN USE	0.00
INACTIVE	0.00
NOT USED	0.00
ACCRUED WORK COMP - FL	0.00
ACCRUED WORK COMP - ID	0.00
ACCRUED WORK COMP - KS	0.00
NOT IN USE	0.00
ACCRUED WORK COMP - NC	0.00
ACCRUED WAGES	74,615.78
ACCRUED WORK COMP - MS	0.00
ACCRUED WORK COMP RI	60.58
NOT USED	0.00
NOT USED	0.00
ACCRUED COMMISSIONS	0.00
NOT IN USE	0.00
ACCRUED WORK COMP - IN	2.46-
ACCRUED WORK COMP - ME	0.00
ACCRUED WORK COMP - NY	0.00
ACCRUED INTEREST	0.00
NOT IN USE	0.00
NOT USED	0.00
ACCRUED WORK COMP - IA	150.97
NOT IN USE	0.00
ACCRUED WORK COMP - NH	0.00
NOT USED	0.00
ACCRUED WORK COMP - TX	0.00
NOT IN USE	0.00
ACCRUED WORK COMP - LA	67.65
ACCRUED WORK COMP - MN	1,911.00
ACCRUED WORK COMP - OH	24.12
ACCRUED WORK COMP - SD	141.45
ACCRUED WORK COMP - WI	0.00
ACCRUED WORK COMP - TN	0.00
ACCRUED WORK COMP - MO	0.00
SC WORK COMP	0.00
VA WORK COMP	5.74

FOR MANAGEMENT USE ONLY

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R&S HEATING & AIR CONDITIONING
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ACCRUED WORK COMP - NM	85.90
ACCRUED WORK COMP - NJ	0.00
INCOME TAXES PAYABLE	0.00
ACCRUED UNION BENEFITS	9,477.45
ACCRUED RENT	0.00
STATE W/H PENNSYLVANIA	80.18
STATE W/H	0.00
FICA PAYABLE	0.00
STATE W/H KENTUCKY	59.56
STATE W/H WASHINGTON	0.00
STATE W/H MASSACHUSETTES	0.00
STATE W/H FLORIDA	0.00
STATE W/H IDAHO	0.00
STATE W/H KANSAS	16.16
STATE W/H ARKANSAS	0.00
STATE W/H NORTH CAROLINA	0.00
STATE W/H MISSISSIPPI	8.99
MEDICARE PAYABLE	0.00
STATE W/H RHODE ISLAND	0.00
STATE W/H NORTH DAKOTA	0.00
STATE W/H MONTANA	0.00
NOT IN USE	0.00
STATE W/H INDIANA	0.00
STATE W/H MAINE	4.03
STATE W/H NEW YORK	0.00
STATE W/H WEST VIRGINIA	36.42
STATE W/H MARYLAND	0.00
FEDERAL WITHHOLDING	0.00
STATE W/H CALIFORNIA	2.22
STATE W/H NEW HAMPSHIRE	0.00
STATE W/H OREGON	0.00
STATE W/H TEXAS	0.00
STATE W/H VERMONT	0.00
STATE W/H LOUISIANA	0.00
STATE W/H NEW MEXICO	22.00
STATE W/H VIRGINIA	9.50
STATE W/H SOUTH CAROLINA	91.89
STATE W/H MINNESOTA	44.99-
STATE W/H WISCONSIN	0.00
STATE W/H OHIO	11.46
STATE W/H MICHIGAN	0.00
STATE W/H COLORADO	0.00
STATE W/H NEW JERSEY	3.60
STATE W/H ILLINOIS	0.00
STATE W/H MISSOURI	0.00
STATE W/H IOWA	87.18
STATE W/H TENNESSEE	0.00

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MULTI-COLUMN DETAILED BALANCE SHEET
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-----ACTUAL-----

SUTA - MINNESOTA	4,750.73
SUTA - OHIO	25.20
SUTA - MICHIGAN	0.00
SUTA - COLORADO	0.00
SUTA - SOUTH DAKOTA	0.00
SUTA - IOWA	151.54
SUTA - WISCONSIN	0.00
SUTA - TENNESSEE	0.00
SUTA - MISSOURI	0.00
SUTA - SOUTH CAROLINA	0.00
FUTA PAYABLE	119.38
NOT IN USE	0.00
SUTA - NEW MEXICO	0.00
SUTA - LOUISIANA	0.00
SUTA - VERMONT	0.00
OHIO LOCAL TAXES PAYABLE	2.84
SUTA - TEXAS	0.00
SUTA - OREGON	0.00
SUTA - NEW HAMPSHIRE	0.00
SUTA - CALIFORNIA	0.00
CHILD SUPPORT WITHHOLDING	0.00
SUTA - MARYLAND	0.00
NOT IN USE	0.00
SUTA - NEW YORK	0.00
NOT IN USE	0.00
MN USE TAX PAYABLE	745.99
SUTA - INDIANA	0.00
SUTA - WYOMING	0.00
SUTA - MONTANA	0.00
SUTA - NORTH DAKOTA	0.00
NOT IN USE	0.00
SUTA - RHODE ISLAND	0.00
SUTA - NORTH CAROLINA	0.00
SUTA - MISSISSIPPI	6.41
SUTA - ARKANSAS	0.00
NOT IN USE	0.00
SUTA - IDAHO	0.00
SUTA - FLORIDA	10.53
SUTA - MASSACHUSETTES	0.00
NOT IN USE	0.00
NOT IN USE	0.00
NOT IN USE	0.00
SUTA - NEW JERSEY	0.00
SUTA - PENNSYLVANIA	0.00
GARNISHED WAGES	0.00
TOTAL CURRENT LIABILITIES	1,450,029.45

FOR MANAGEMENT USE ONLY

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R&S HEATING & AIR CONDITIONING
MULTI-COLUMN DETAILED BALANCE SHEET
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-----ACTUAL-----

OTHER LIABILITIES

CURRENT MATURITIES OF LT DEBT	26,604.00-	
CURRENT MATURITIES OF LT DEBT	26,604.00	

TOTAL OTHER LIABILITIES		0.00

TOTAL LIABILITIES		-----
		1,450,029.45

STOCKHOLDER EQUITY

CAPITAL STOCK	8,423.00	
RETAINED EARNINGS	919,590.26	
DISTRIBUTIONS	208,210.25-	
YEAR-TO-DATE EARNINGS	34,819.41	

TOTAL EQUITY		-----
		754,622.42

TOTAL LIABILITIES & EQUITY		-----
		2,204,651.87
		=====

FOR MANAGEMENT USE ONLY

2010 DISTRIBUTIONS

			BENT CREEK		
	DISTRIBS	GOOTER	GOLF	MISC	TOTAL
JAN	10,000.00	10,000.00	278.93		20,278.93
FEB	10,000.00	10,000.00		239.40	20,239.40
MAR	10,000.00	10,000.00			20,000.00
APR	25,884.70	10,000.00			35,884.70
MAY	22,707.76	10,000.00		7,903.00	40,610.76
JUN	25,884.70	10,000.00		2,604.00	38,488.70
JUL	22,707.76	10,000.00			32,707.76
AUG					-
SEP					-
OCT					-
NOV					-
DEC					-
	127,184.92	70,000.00	278.93	10,746.40	208,210.25

MISCELLANEOUS

Airfare	239.40
Bob Mushel	3,764.00
Life Insurance	4,139.00
Life Insurance	2,604.00

10,746.40

Continuation Page

DEBTOR: R & S Heating and A/C, Inc.

CASE NO:

10-35110

Form 2-C

COMPARATIVE BALANCE SHEET

For Period: 06-30-10

Other Current Assets:

Auto Sales Checking	1,861.00
Note Receivable: Ike's	122,949.33
Security Deposit	16,337.00
Prepaid Liability Insurance	11,453.10
Prepaid Items	3,436.21
Prepaid Umbrella Insurance	1,172.51
Prepaid SD Work Comp Ins	1,252.94
Prepaid WI Work Comp Ins	1,782.40
Prepaid Health Insurance	2,766.89
Prepaid EPL Insurance	4,609.00
	<hr/>
	167,620.38

PRIORITY DEBT 07-31-10

Taxes Payable	64,417.74
Union Fringe Benefits	73,267.83
Balance Sheet Taxes	<u>18,123.22</u>
	155,808.79

DEBTOR:

R & S HEATING AND A/C, INC.

CASE NO: 10-35110

Form 2-D
PROFIT AND LOSS STATEMENT
 For Period 07-14-10 to 07-31-10

COPY

	Current Month	Accumulated Total (1)
Gross Operating Revenue	\$ 360,907.54	\$ 360,907.54
Less: Discounts, Returns and Allowances	(11,401.81)	(11,401.81)
Net Operating Revenue	\$ 349,505.73	\$ 349,505.73
Cost of Goods Sold	89,163.90	89,163.90
Gross Profit	\$ 260,341.83	\$ 260,341.83
Operating Expenses		
Officer Compensation	\$ 10,307.72	\$ 10,307.72
Selling, General and Administrative	117,802.40	117,802.40
Rents and Leases	10,000.00	10,000.00
Depreciation, Depletion and Amortization	5,803.22	5,803.22
Other (list): _____	0.00	0.00
_____	0.00	0.00
Total Operating Expenses	\$ 143,913.34	\$ 143,913.34
Operating Income (Loss)	\$ 116,428.49	\$ 116,428.49
Non-Operating Income and Expenses		
Other Non-Operating Expenses	\$ 0.00	\$ 0.00
Gains (Losses) on Sale of Assets	0.00	0.00
Interest Income	597.99	597.99
Interest Expense	426.93	426.93
Other Non-Operating Income	0.00	0.00
Net Non-Operating Income or (Expenses)	\$ 1,024.92	\$ 1,024.92
Reorganization Expenses		
Legal and Professional Fees	\$ 10,000.00	\$ 10,000.00
Other Reorganization Expense	0.00	0.00
Total Reorganization Expenses	\$ 10,000.00	\$ 10,000.00
Net Income (Loss) Before Income Taxes	\$ 107,453.41	\$ 107,453.41
Federal and State Income Tax Expense (Benefit)	11,246.45	11,246.45
NET INCOME (LOSS)	\$ 96,206.96	\$ 96,206.96

(1) Accumulated Totals include all revenue and expenses since the petition date.

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R&S HEATING & AIR-CONDITIONING
DETAILED MONTH & YTD INCOME STATEMENT
PERIOD END DATE: 07/31/10

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	2010 JULY ACTUAL	ROW%	2010 YEAR-TO-DATE ACTUAL	ROW%
REVENUE FROM OPERATIONS				
SALES	85,550.00	100.0	1,133,274.32	99.2
NET OVER/UNDER BILLING	0.00	0.0	8,907.00	0.8
	-----	-----	-----	-----
TOTAL OPERATING REVENUE	85,550.00	100.0	1,142,181.32	100.0
DIRECT CONSTRUCTION COSTS				
MATERIAL	756.29	0.9	487,394.58	42.7
DISCOUNTS TAKEN	0.00	0.0	41.42-	0.0
LABOR	683.91	0.8	129,319.58	11.3
FICA	52.31	0.1	9,892.94	0.9
MEDICARE	0.00	0.0	0.00	0.0
FUTA	0.00	0.0	365.43	0.0
SUTA	70.73	0.1	12,956.60	1.1
UNION BENEFITS	330.69	0.4	54,834.02	4.8
WORKERS COMPENSATION	53.41	0.1	10,953.40	1.0
SUBCONTRACTORS	0.00	0.0	63,207.00-	5.5-
EQUIPMENT RENTAL	0.00	0.0	16,461.38	1.4
CRANE RENTAL	0.00	0.0	4,812.50	0.4
PERMITS	0.00	0.0	11,685.60	1.0
TRAVEL	0.00	0.0	0.00	0.0
OUT OF TOWN COSTS	0.00	0.0	0.00	0.0
COMMISSIONS	0.00	0.0	39,007.50	3.4
LEGAL	0.00	0.0	0.00	0.0
ESTIMATING & ENGINEERING	0.00	0.0	7,800.00	0.7
DELIVERY SERVICE	0.00	0.0	4,315.99	0.4
FREIGHT	0.00	0.0	294.57	0.0
BONDS	0.00	0.0	165.00	0.0
CASUAL LABOR	0.00	0.0	0.00	0.0
PARKING	0.00	0.0	875.50	0.1
MILEAGE	0.00	0.0	0.00	0.0
ALLOCATED INDIRECT COSTS	0.00	0.0	0.00	0.0
OUT OF TOWN MEALS	0.00	0.0	0.00	0.0
SMALL TOOLS JOB COSTED	0.00	0.0	0.00	0.0
R&S INTERNAL BILLING	0.00	0.0	64,504.81	5.7
MISCELLANEOUS	0.00	0.0	800.00	0.1
SD EXCISE TAX	0.00	0.0	0.00	0.0
PLAN FEES/COPIES	0.00	0.0	0.00	0.0
	-----	-----	-----	-----
TOTAL DIRECT COST	1,947.34	2.3	793,190.98	69.5
	-----	-----	-----	-----
GROSS PROFIT FROM OPERATIONS	83,602.66	97.7	348,990.34	30.6
INDIRECT EXPENSES				
TRUCK REPAIRS & MAINTENANCE	0.00	0.0	1,481.97	0.1
VEHICLE LEASING	0.00	0.0	0.00	0.0

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R&S HEATING & AIR CONDITIONING
DETAILED MONTH & YTD INCOME STATEMENT
PERIOD END DATE: 07/31/10

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	2010 JULY		2010 YEAR-TO-DATE	
	ACTUAL	ROW%	ACTUAL	ROW%
FUEL	34.30	0.0	9,382.17	0.8
LEASE EQUIPMENT (PLOTTER)	0.00	0.0	579.64	0.1
SMALL TOOLS	0.00	0.0	2,198.35	0.2
SMALL TOOLS -PLUMBING	0.00	0.0	0.00	0.0
SUPPLIES	0.00	0.0	680.29	0.1
DEPRECIATION	605.14	0.7	4,235.98	0.4
CELLULAR PHONES	0.00	0.0	2,570.02	0.2
PAGERS	0.00	0.0	0.00	0.0
EDUCATION	0.00	0.0	375.56	0.0
PROJECT MANAGMENT	0.00	0.0	107,255.85	9.4
EMPLOYEE BONUS	0.00	0.0	0.00	0.0
ALLOCATED INDIRECT EXPENSES	0.00	0.0	0.00	0.0
FUTA	0.00	0.0	66.32	0.0
SUTA	0.00	0.0	5,736.11	0.5
FICA	0.00	0.0	7,835.86	0.7
WORKERS COMPENSATION	0.00	0.0	2,954.25	0.3
UNION BENEFITS	0.00	0.0	166.41	0.0
LICENSE FEES	0.00	0.0	2,288.60	0.2
WORK COMP OUTRIGHT	0.00	0.0	0.00	0.0
UNION FEES	0.00	0.0	0.00	0.0
HEALTH INSURANCE	0.00	0.0	1,484.25	0.1
PLAN FEES/COPIES	0.00	0.0	0.00	0.0
RENT	2,100.00	2.5	14,700.00	1.3
UTILITIES	630.64	0.7	3,906.84	0.3
BAD DEBT EXPENSE	0.00	0.0	34,726.33	3.0
EQUIPMENT REPAIRS/MAINTENANCE	0.00	0.0	0.00	0.0
	-----	-----	-----	-----
TOTAL INDIRECT EXPENSES	3,370.08	3.9	202,624.80	17.7
ADMINISTRATIVE EXPENSES				
LEGAL	0.00	0.0	0.00	0.0
PROMOTIONS & ENTERTAINMENT	0.00	0.0	0.00	0.0
INTEREST EXPENSE	27.90	0.0	185.11	0.0
OFFICE EXPENSE	0.00	0.0	274.01	0.0
	-----	-----	-----	-----
TOTAL ADMINISTRATIVE EXPENSE	27.90	0.0	459.12	0.0
INCOME FROM OPERATIONS	80,204.68	93.8	145,906.42	12.8
OTHER INCOME & EXPENSE				
OTHER INCOME	0.00	0.0	0.00	0.0
	-----	-----	-----	-----
TOTAL OTHER INCOME	0.00	0.0	0.00	0.0
	-----	-----	-----	-----
PROVISION FOR INCOME TAX	0.00	0.0	0.00	0.0

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R&S HEATING & AIR CONDITIONING
DETAILED MONTH & YTD INCOME STATEMENT
PERIOD END DATE: 07/31/10

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	2010 JULY ACTUAL	ROW%	2010 YEAR-TO-DATE ACTUAL	ROW%
NET INCOME	80,204.68	93.8	145,906.42	12.8

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R&S HEATING & AIR CONDITIONING
DETAILED MONTH & YTD INCOME STATEMENT
PERIOD END DATE: 07/31/10

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	2010 JULY ACTUAL	ROW%	2010 YEAR-TO-DATE ACTUAL	ROW%
REVENUE FROM OPERATIONS				
SALES	92,134.47	100.0	1,348,265.41	100.0
NET OVER/UNDER BILLING	0.00	0.0	223.47-	0.0-
	-----	-----	-----	-----
TOTAL OPERATING REVENUE	92,134.47	100.0	1,348,041.94	100.0
DIRECT CONSTRUCTION COSTS				
DIRECT COST MATERIAL	11,532.37	12.5	176,801.98	13.1
INDIRECT COST MATERIAL	46,471.32-	50.4-	29,606.07-	2.2-
DISCOUNTS TAKEN	0.00	0.0	0.00	0.0
LABOR	3,224.42	3.5	7,828.70	0.6
FICA	700.22	0.8	11,002.32	0.8
MEDICARE	0.00	0.0	0.00	0.0
FUTA	20.27	0.0	758.62	0.1
SUTA	354.76	0.4	4,989.79	0.4
UNION BENEFITS	841.64	0.9	4,773.71	0.4
WORKERS COMPENSATION	476.50	0.5	3,515.27	0.3
SUBCONTRACTORS-DIRECT	6,537.50	7.1	252,279.36	18.7
SUBCONTRACTOR INDIRECT	37,593.15	40.8	66,271.94	4.9
EQUIPMENT RENTAL	0.00	0.0	3,214.57	0.2
CRANE RENTAL	1,010.00	1.1	2,788.56	0.2
PERMITS & LICENSES	0.00	0.0	1,252.03-	0.1-
TRAVEL	141.01	0.2	11,554.28	0.9
OUT OF TOWN COSTS	225.35	0.2	18,078.74	1.3
OUT OF TOWN COSTS INDIRECT	653.14	0.7	1,294.21	0.1
ACCOUNT MANAGERS	9,233.82	10.0	140,603.29	10.4
COMMISSIONS	0.00	0.0	10,562.50	0.8
PROMOTIONS & ENTERTAINMENT	0.00	0.0	0.00	0.0
LEGAL	0.00	0.0	0.00	0.0
ESTIMATING & ENGINEERING	0.00	0.0	0.00	0.0
DELIVERY SERVICE	111.29	0.1	2,937.52	0.2
FREIGHT	0.00	0.0	4,208.77	0.3
BONDS	0.00	0.0	618.00	0.1
CASUAL LABOR	0.00	0.0	1,210.00	0.1
PARKING	0.00	0.0	279.06	0.0
MILEAGE	1,371.29	1.5	30,394.16	2.3
ALLOCATED INDIRECT COSTS	0.00	0.0	0.00	0.0
MEALS	31.37	0.0	273.07	0.0
CUSTOMER DISCOUNTS	11,401.81	12.4	30,013.20	2.2
INTERNAL BILLING	0.00	0.0	0.00	0.0
NM GROSS RECEIPTS TAX	1,525.34	1.7	2,695.58	0.2
SD SALES TAX	179.68	0.2	3,773.35	0.3
	-----	-----	-----	-----
TOTAL DIRECT COST	40,693.61	44.2	761,862.45	56.5
	-----	-----	-----	-----
GROSS PROFIT FROM OPERATIONS	51,440.86	55.8	586,179.49	43.5